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TO: Executive Directors
Child Development Programs

FROM: Donna Salaj, Manager
Contracts Office

SUBJECT: 2003-04 CHILD DEVELOPMENT CONTRACTS

Fortunately, the attached summary of the changes in the 2003-04 Child Care and Development contracts and Funding Terms & Conditions (FT&Cs) are minimal compared to what was proposed earlier this year. (Please note, however, that you should be familiar with all contract requirements in addition to the changes made for 2002-03.)

On July 1, 2003, the FT&Cs will be available on the Internet at <http://www.cde.ca.gov/fasdiv/> and may be downloaded and printed for your files. Prior year, 2002/03 FT&Cs will remain on the website for your convenience. In addition, the program requirements for the quality (one-time only) programs will also be posted. However, if you do not have Internet capabilities, you may request a hard copy by contacting the appropriate contract analyst listed below.

Please sign and return your contract(s) to the Contracts Office as soon as possible to ensure timely receipt of your first apportionment. Public agencies needing a resolution may forward their contracts prior to formal board action (local policies permitting) if a letter is included indicating when the board will meet and that the required resolution will be forwarded to the Contracts Office at that time.

If you have any questions regarding funding term changes, please call Doris Morris at (916) 323-5591 or me at (916) 323-7397. If you have questions regarding the status of your contract, please call:

Sandy Shongood	323-5890	General Fund Contracts
Dawn Odekirk	445-6826	Federal Fund and CalWORKs Contracts
Bettina Gray	445-3844	Quality Contracts

Summary of Changes
2003-04 CHILD CARE AND DEVELOPMENT CONTRACTS

Revisions below are in addition to the changes made with the 2002-03 COLA (inflation) amendments. Call Doris Morris (916) 323-5591 if further information is needed regarding 2002-03 revisions.

Any changes as a result of the enactment of the Budget will be incorporated into the amendments for 2003-04.

All Programs

- Facesheets will reflect additional funding contingency language
- Added definition “Day of operation” to clarify operational day of services in first definition section.

All Programs except R&R

- Deleted definition of “special needs” pursuant to Ch. 435/02 (AB 2311), (p.30, GCTR)
- Revised definition of “authorized representative” to incorporate all references to authorized representatives used in the FT&Cs. (p.1, GCTR)
- Revised definition of “exceptional needs” pursuant to Ch. 435/02 (AB 2311). (p. 29, GCTR)
- Modified “Admission Priority” section deleting references to “special needs” and listing the child’s specific need pursuant with Ch.435/02 (AB 2311).
- Changed “Documentation of Child’s Special Needs” section pursuant to Ch. 435/02 (AB 2311). (p. 35, GCTR)
- Changed all references to “handicapped” to “disabled” children pursuant to Ch. 435/02 (AB 2311). (p. 30, GCTR)
- Clarified Section IV.E, “Title, Use, Disposition and Retention of Equipment” subsection #4, “Disposition,” by adding how to dispose of equipment once usage period is over. (p.10, GCTR)

Center-Based

- Modified Section II. Developmental Profile under “Program Quality Requirements” to include new requirements (Ch.629/02, SB 1539) for children transitioning from certain state-funded child care program to local public schools (p. 44, GCTR)

Alternative Payment

REVISED 6/15/2003

- Reduced the ratio of payments to providers (direct services costs) to administrative and support costs for alternative payment programs from 75/25 to 80/20 under the definition of “Earned” pursuant to Budget Act (Ch. 379/02). (p. 2, FAPP)

Program Federal Funded

- Revised second paragraph in Section II.P, “Conflicts of Interest, ” to comply with OMB A-122 requirement regarding “Cost Principals for Non-Profit Organizations. (p.7, FCTR) Rental from related parties limited to depreciation.